

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1452 – HB 1959

April 15, 2012

SUMMARY OF AMENDMENTS (013880, 016215): Amendment 013880 deletes all language after the enacting clause and creates the “Tourism Development Authority Act” and authorizes municipalities and counties to establish a Tourism Development Authority. The authority will be considered a public body acting as an agency of the municipality or county. The authority will have the power to issue bonds, acquire visitor’s centers and other governmentally-owned tourist attractions, acquire greenways and trails, appoint agents and employees, and operate and maintain any property acquired.

Amendment 016215 removes Shelby County from the definition of “municipality”.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue - \$11,530,400

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact – Due to multiple unknown factors, a precise fiscal impact to state and local government cannot be determined. Any decrease to state expenditures will depend solely upon an agreement between the state and an authority for acquisitions of state owned tourism facilities. The provisions of the bill are permissive to local governments.

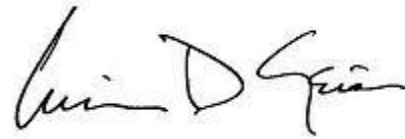
Assumptions applied to amendments:

- The language in the bill as amended is permissive to local governments.
- It is assumed the local government entities choosing to create a Tourism Development Authority will have the ability to appropriate all funds needed for its creation and operation.
- Entering into agreements for the acquisition of visitor’s centers and other governmentally-owned tourist attractions, the responsibility of maintenance and operation of the facilities will transfer from the government entity owning the facility to the authority.

- In instances where these facilities are owned and operated by the state, transferring the responsibility to the authority will result in a decrease in state expenditures and a corresponding increase in local government expenditures via the authority.
- It is unknown how many state owned facilities will be acquired by authorities, or the price for the maintenance and operation of any such facilities acquired, therefore a precise impact to state and local government expenditures cannot reasonably be determined.
- It is assumed the authority acquiring these facilities through purchase, lease, exchange, gift, or otherwise will have the financial means for the facility's operation and maintenance.
- It is further assumed any state agency relinquishing responsibility for the facilities to the authority will agree to all terms and conditions of the transfer of responsibility.
- According to the Department of Revenue, the provisions of this legislation regarding the issuance of bonds will not significantly impact the Department.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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